

WC 07-95

FCC/MELON

APR 26 2007

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

Application of

Pine Telephone Systems, Inc., Rodney G.  
Huff, Colin Huff and Eane Huff,

Transferors,

and

Pine Communications, LLC,

Transferee,

For Consent for Transfer of Control

WC Docket No. \_\_\_\_\_

**APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Section 63.04 of the Commission’s rules, 47 C.F.R. § 63.04. Pine Telephone Systems, Inc. (“Pine Telephone”), Rodney G. Huff, Colin Huff and Eane Huff (the “Transferors”) and Pine Communications, LLC (“Pine Communications”) (the “Transferee”), with Pine Telephone and Pine Communications together constituting the “Applicants,” hereby apply for Commission consent to transfer control of Commission licensees, which will result from Pine Communications’ proposed acquisition of 100 percent of the stock of Pine Telephone, which provides local exchange, exchange access and long distance telecommunications service in rural northeast Oregon.

The proposed transaction contemplates acquisition of all of the stock of Pine Telephone by Pine Communications. Pine Telephone currently serves fewer than two percent (2%) of the nation's access lines. With the acquisition, Pine Communications will also serve fewer than two percent (2%) of the nation's access lines. Pine Communications has not previously been in the telecommunications business and holds no other operating companies. Since this acquisition is a stock acquisition, service to customers will be provided at substantially the same rates, terms and conditions as are in effect today. Therefore, the proposed transaction will be largely transparent to existing customers. For these reasons, and for the reasons detailed below, the transaction will serve the public interest and the Commission should grant this Application on a streamlined basis

In accordance with the requirements of Section 63.04 of the Commission's rules, the Applicants provide the following information:

- (1) Name, address, and telephone number of each applicant.

Transferors:

Pine Telephone System, Inc.  
104 Center Street  
PO Box 706  
Halfway, OR 97834  
(541) 742-2201

Rodney G. Huff  
Colin Huff  
Eane Huff  
104 Center Street  
PO Box 706  
Halfway, OR 97834

Transferee:

Pine Communications, LLC  
301 West Beauregard #208  
San Angelo, TX 76903  
(325) 657-0016

- (2) State under the laws of which each applicant is organized

Pine Telephone is a corporation organized under the laws of Oregon. Pine Communications is a limited liability company organized under the laws of the state of Texas.

- (3) Legal counsel to whom correspondence concerning the application is to be addressed.

For Transferors:

Richard A. Finnigan  
2112 Black Lake Blvd SW  
Olympia, WA 98512  
(360) 956-7001

For Transferee:

Richard A. Finnigan  
21 12 Black Lake Blvd SW  
Olympia, WA 98512  
(360) 956-7001

- (4) Name, address, citizenship, and principal business of entities that own at least 10 percent of the equity of the applicants (to the nearest 1 percent).

For Transferors:

The following companies own at least 10 percent of Pine Telephone, directly or indirectly:

Name: Rodney G. Huff  
Address: 104 Center Street, PO Box 706, Halfway, OR 97834  
Business: Telephone company executive  
Citizenship: USA  
Equity: 60%

Name: Colin Huff  
Address: 104 Center Street, PO Box 706, Halfway, OR 97834  
Business: Telephone company executive  
Citizenship: USA  
Equity: 20%

Name: Eane Huff  
Address: 104 Center Street, PO Box 706, Halfway, OR 97834  
Business: Telephone company owner  
Citizenship: USA  
Equity: 20%

No other person or entity owns a 10 percent or more direct or indirect interest in

Pine Telephone.

For Transferee:

Name: John B. Hemphill  
Address: 301 West Beauregard, #208, San Angelo, TX 76903  
Business: Legal Counsel — Telephone Company  
Citizenship: USA  
Equity: 25%

Name: Ron L. Milford  
Address: 301 West Beauregard, #208, San Angelo, TX 76903  
Business: Telephone company executive  
Citizenship: USA  
Equity: 25%

Name: R. Gray Mundell  
Address: 301 West Beauregard, #208, San Angelo, TX 76903  
Business: Telephone company executive  
Citizenship: USA  
Equity: 25%

Name: William Ted Alexander<sup>1</sup>  
Address: 301 West Beauregard, #208, San Angelo, TX 76903  
Business: Finance and Accounting — Telephone Company  
Citizenship: USA  
Equity: 6.25%

Name: Alexander Construction Company, a Texas partnership  
Address: 301 West Beauregard, #208, San Angelo, TX 76903  
Business: Construction  
Citizenship: USA  
Equity: 12.5%

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<sup>1</sup> William Ted Alexander is listed in the interest of full disclosure. Mr. Alexander is trustee for or beneficial owner of 100% of the “A” partnership units of Alexander Construction Company and is also co-trustee or beneficial owner of 22.21% of the “B” partnership units of Alexander Construction Company. No other partner would have an attributable interest in the Transferee of 10% or more.

- (5) Certification pursuant to Sections 1.2001 through 1.2003 that no party to the application is subject to a denial of Federal benefits.

By their signatures below, the Applicants certify that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

- (6) Description of the transaction.

On January 3, 2007, Pine Communications entered into an Agreement for Purchase and Sale of Stock, to acquire the stock of Pine Telephone. Pursuant to the Agreement, Pine Communications will acquire a 100 percent equity interest in Pine Telephone for combined cash and debt of \$4,650,000.00.

- (7) Description of the geographic areas in which the Transferors and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

Pine Telephone provides local exchange, exchange access, long distance, broadband Internet access and other advanced services in the wire centers of Granite, Halfway and Oxbow, all located in the northeast corner of the State of Oregon. Pine Telephone is a rural incumbent local exchange carrier. Pine Telephone currently serves approximately 980 access lines. Pine Telephone does not offer interstate long distance service.

Pine Communications currently does not provide telecommunications service and will be operating at the time of acquisition only in the areas currently served by Pine Telephone.

- (8) Statement on how the application fits into one or more of the presumptive streamlined categories or why it is otherwise appropriate for streamlined treatment.

This application is eligible for presumptive streamlined treatment under Section 63.03(b)(2)(iii) of the Commission's rules, or in the alternative, is otherwise appropriate for streamlined treatment.

Under Section 63.03(b)(2)(iii), the Commission’s streamlined procedures are presumed to apply where “the applicants are incumbent independent local exchange carriers ... that have, in combination, fewer than two (2) percent of the nation’s subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas.” Pine Telephone is an incumbent local exchange carrier which serves fewer than two (2) percent of the nation’s subscriber lines. Upon acquisition of the stock, Pine Communications will be an incumbent local exchange carrier serving fewer than two (2) percent of the nation’s subscriber lines. In addition, since there are no overlapping service areas and no adjacent service territories, the proposed transaction accordingly falls within the presumptively streamlined category.

Alternatively, streamlined treatment is appropriate under the Commission’s “case-by-case approach.”<sup>3</sup> Indeed, the Commission has adopted a “general rule in which all applications are eligible for streamlined processing,” finding that such general eligibility for streamlined processing “best reduces regulatory burdens on domestic telecommunications carriers, while at the same time ensuring that we continue to serve the public interest under section 214 of the Communications Act.”<sup>4</sup>

This application should be subject to streamlined processing because it involves only a transfer of equity interests, and presents no “novel questions of fact, law, or policy which cannot be resolved under outstanding precedents and guidelines.”<sup>5</sup> As noted above (and discussed more fully below), this application presents no competitive or public interest concerns. Upon completion of the proposed transactions, Pine Telephone will continue to provide service at substantially the same rates, terms and conditions as

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<sup>2</sup> 47 C.F.R. § 63.03(b)(2)(iii).

<sup>3</sup> *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517 ¶34 (2002) (“*Streamlining Order*”); see also 47 C.F.R. § 63.03(a) (permitting streamlining “[u]pon determination ... that the application is appropriate for streamlined treatment”).

<sup>4</sup> *Streamlining Order* ¶34.

<sup>5</sup> *Id.* ¶28.

are in effect today. No customer will lose service or be adversely affected as a result of the proposed transaction. Because this transaction poses no competitive concerns and raises no novel issues, this application is appropriate for streamlined treatment.

- (9) Identification of all other Commission applications related to the same transaction.

None.

- (10) Statement whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.

The Applicants are not requesting special consideration of the application.

- (11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.

The Applicants do not seek any waivers from the Commission in conjunction with this transaction.

- (12) A statement showing how grant of the application will serve the public interest, convenience, and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.

This proposed transaction will serve the public interest because it will provide benefits to customers without any countervailing harms. Pine Telephone is currently a family-owned corporation whose owners are seeking to retire. Pine Communications will bring vigorous ownership with sufficient financial resources to meet the needs of Pine Telephone customers.

In contrast to the substantial potential benefits, the proposed transaction poses no countervailing harms. The proposed transaction contemplates only a change of equity ownership. Upon consummation of the proposed transaction, Pine Telephone will continue to provide service at substantially the same rates, terms and conditions as are in effect today. There will be no reduction, impairment, or discontinuance of service to any

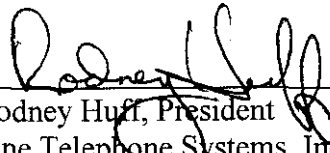
customer as a result of the proposed transaction. Because of this, the proposed transaction will be largely transparent to Pine Telephone's current customers.

For all of the foregoing reasons, the proposed transaction will serve the public interest and this application should be granted on a streamlined basis.

Payment in the amount of \$965.00, along with FCC Form 159, was transmitted to the Federal Communications Commission, Wireline Competition Services CPD214Appls., P.O. Box 358145, Pittsburgh, PA 15251-5145 for delivery this date

An original and five copies of this Application are enclosed for filing. To acknowledge receipt, please stamp and return one copy of this Application enclosed for that purpose. Please contact the undersigned with any inquiries concerning this Application

Respectfully submitted,

  
\_\_\_\_\_  
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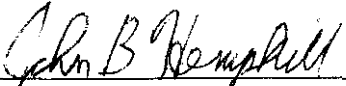
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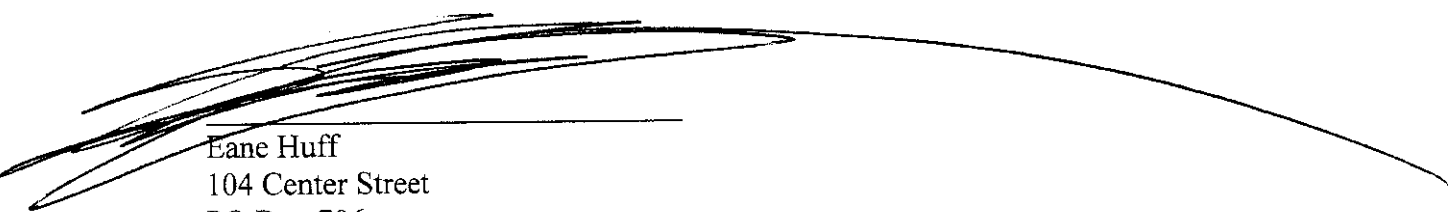
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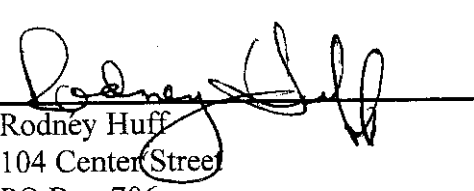
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Dated: March \_\_\_\_, 2007